Government of
Saskatchewan

Annual Report
1983

Saskatchewan
Land Bank Commission

84- 3045 /

Twelfth Annual Report

of the

Saskatchewan Land Bank Commision

Province of Saskatchewan

For the Period Ending March 31st

1983

LAND BANK

The Saskatchewan Land Bank Commission

Regina, March 31, 1984

His Honour Fredrick W. Johnson,
Lieutenant Governor,
Province of Saskatchewan.

Sir:

I have the honour to transmit herewith the Twelfth Annual Report of the Saskatchewan Land Bank Commission for the three month period January 1st, 1983 to March 31st, 1983.

I have the honour to be, Sir,

Your obedient servant,

Lorne Hepworth
Minister of Agriculture.

Regina, March 31, 1984

To the Honourable Lorne Hepworth,
Minister of Agriculture,
Regina, Saskatchewan.

Sir:

Presented herewith is the Twelfth Annual Report of the Saskatchewan Land Bank Commission for the three month period January 1st, 1983 to March 31st, 1983.

Respectfully Submitted,

The Saskatchewan Land Bank Commission

A. J. Webster, Chairman

1983 OPERATIONS

1. Land Purchases

The following table shows the average price per acre paid by the Commission since it began operations in 1972:

Year	Average Price per acre	% Increase
1972-73*	$ 53.50	--
1973-74	69.11	29.2
1974+	74.25	7.4
1975	85.66	15.4
1976	114.20	33.3
1977	143.13	25.3
1978	170.60	19.2
1979	239.97	40.7
1980	280.84	18.1
1981	387.37	37.9**
1982	440.68	13.8
1983	--	--

* Reporting period April 1 to March 31.

\+ Reporting period April 1 to December 31.

** Land Purchased by the Commission in 1981 had an average assessment of $2,080 per quarter section. All purchases took place during the months of July, August, September and October.

On March 31, 1983, the Saskatchewan Land Bank Commission owned 1,195,000 acres of farmland in Saskatchewan.

VALUE OF ACQUISITIONS

	1982	1983
Value of Private Acquisitions		
- land only	$ 14,042,650	-
- improvements	99,200	-
Net Value of Private Vendor Acquisitions	14,141,850	-
Additional Improvements purchased from private vendors	2,812	-
Value of purchases from Government agencies:		
- land only	3,051,700	-
- improvements	-	-
Additions:		
- Clearing and Breaking	395,744	934,853
- Repurchase of Improvements	62,276	40,342
Net Total Value of Acquisitions:		
- land only	17,490,094	934,853
- improvements	164,288	40,342

Sale of Land to Lessees

The year 1982 provided an opportunity for some 1,442 lessees to purchase their land. The following table summarizes purchases made since 1979.

Purchases by Lessees

	1979	1980	1981	1982	1983
Lessees eligible to purchase	654	909	1,151	1,442*	*
Lessees who purchased	42	34	25	20	3
Total acreage purchased	12,008	8,633	5,773	5,458	481
Total Purchase Price	$2,513,300	2,096,300	1,835,500	1,713,800	231,000

* Effective December 17, 1982, all lessees holding a Land Band lease were eligible to purchase their land.

Statement of Sales

	1982	1983
Acres sold to Government and Municipal Agencies	972	-
Acres sold to lessees	5,458	481
Acres sold to individuals (Farm Sites)	164	64
Acres sold by tender	-	396
Total Acres Sold	6,594	941
- cultivated	4,757	869
- uncultivated	1,837	72
Value of land and improvements (selling price)	$ 2,088,786	$ 422,752
- land only	2,088,786	415,600
- improvements	-	7,152

1983

Number of leases in effect - March 31, 1983 3,059
Number of lessees as of March 31, 1983 2,794

THE SASKATCHEWAN LAND BANK COMMISSION
THE SASKATCHEWAN LAND BANK FUND

FINANCIAL STATEMENTS
For the Three Months Ended March 31, 1983

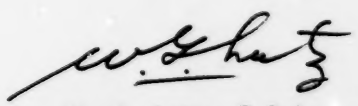
OFFICE OF THE PROVINCIAL AUDITOR
REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the members of the Legislative Assembly
Province of Saskatchewan:

I have examined the balance sheet of the Saskatchewan Land Bank Commission as at March 31, 1983 and the statements of income and deficit, contributed surplus, changes in financial position and receipts and payments for the Commission's Administration Account for the period January 1, 1983 to March 31, 1983. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Land Bank Commission as at March 31, 1983 and the results of its operations and the changes in its financial position for the period January 1, 1983 to March 31, 1983 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan.
June 29, 1983.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

THE SASKATCHEWAN LAND BANK COMMISSION

THE SASKATCHEWAN LAND BANK FUND (Note 1)

BALANCE SHEET

	March 31, 1983	December 31, 1982
ASSETS		
Current:		
Bank	$ 83,245	$ 675,947
Accounts receivable (less allowance for doubtful accounts $888,872; 1982 - $889,293)	7,004,158	6,726,458
Improvements for resale, at cost	135,161	108,624
Total Current assets	7,222,564	7,511,029
Long-term receivables (Note 3)	7,727,313	7,408,673
Land (Note 4)	178,052,349	177,205,742
Deferred land improvements (Note 2)	--	905,948
	$193,002,226	$193,031,392
LIABILITIES		
Current:		
Bank demand loan	$ 5,000,000	$ 5,900,000
Accounts payable	59,903	65,612
Accrued interest payable	6,812,788	4,958,554
Deferred cultivation adjustments	47,133	34,529
Deferred Revenue	262,570	39,309
Total current liabilities	12,182,394	10,998,004
Long-term:		
Advances from the Minister of Finance (Note 5)	184,436,000	184,436,000
Total liabilities	196,618,394	195,434,004
EQUITY (DEFICIENCY)		
Province of Saskatchewan equity (deficiency):		
Contributed surplus (Note 6) Statement 3	10,145,009	10,145,009
Deficit (Note 7) Statement 2	(13,761,177)	(12,547,621)
	(3,616,168)	(2,402,612)
	$193,002,226	$193,031,392

(See accompanying notes to the financial statements)

Statement 2

THE SASKATCHEWAN LAND BANK COMMISSION

THE SASKATCHEWAN LAND BANK FUND (Note 1)

STATEMENT OF INCOME AND DEFICIT

	For the Three Months Ended March 31, 1983	For the Year Ended December 31, 1982
Income:		
Lease rentals	$ 3,056,225	$12,720,194
Gain on disposal of land and improvements	330,575	1,517,979
Interest and other income	466,571	1,479,044
	3,853,371	15,717,217
Operating Expenses:		
Interest	136,393	775,587
Interest adjustment on purchases - net	988	639,201
Provision for doubtful accounts	-	467,396
Provision for write-down of land and improvements	10,575	-
Land repairs and maintenance	7,309	17,463
Sundry	3,456	29,863
	158,721	1,929,510
Income from operations	3,694,650	13,787,707
Other (income) expense:		
Interest on advances from the Minister of Finance	4,908,206	19,149,595
Interest on term deposits	-	(179,207)
	4,908,206	18,970,388
Net loss	1,213,556	5,182,681
Deficit, beginning of year	12,547,621	7,364,940
Deficit, end of period	$13,761,177	$12,547,621

(See accompanying notes to the financial statements)

Statement 3

THE SASKATCHEWAN LAND BANK COMMISSION

THE SASKATCHEWAN LAND BANK FUND (Note 1)

STATEMENT OF CONTRIBUTED SURPLUS

	For the Three Months Ended March 31, 1983	For the Year Ended December 31, 1982
Balance, beginning of the year	$10,145,009	$ 7,127,254
Add: Land transferred at appraised market value from the Department of Agriculture - Lands Branch - net of cultivation adjustments	-	3,025,855
	10,145,009	10,153,109
Less: Land and improvements transferred to Department of Agriculture - Lands Branch	-	8,100
Balance, end of period - to Statement 1	$10,145,009	$10,145,009

(See accompanying notes to the financial statements)

Statement 4

THE SASKATCHEWAN LAND BANK COMMISSION

THE SASKATCHEWAN LAND BANK FUND (Note 1)

STATEMENT OF CHANGES IN FINANCIAL POSITION

	For the Three Months Ended March 31, 1983	For the Year Ended December 31, 1982
Funds Provided:		
Advances from the Minister of Finance	$ --	$16,290,000
Proceeds from the sale of land and improvements	422,752	2,586,512
	422,752	18,876,512
Outlay of funds:		
To operations		
Loss for the year	1,213,556	5,182,681
Add items not resulting in an inflow of funds - gain on sale of land	330,575	1,517,979
	1,544,131	6,700,660
Purchase of land - net of adjustments	934,853	14,161,494
Purchase/Transfer of land improvements - net	(902,018)	574,652
Increase in long-term receivables	318,641	317,588
	1,895,607	21,754,394
Decrease in working capital	(1,472,855)	(2,877,882)
Working capital deficiency, being of year	(3,486,975)	(609,093)
Working capital deficiency, end of year	$(4,959,830)	$(3,486,975)

(See accompanying notes to the financial statements)

Statement 5

THE SASKATCHEWAN LAND BANK COMMISSION (Note 1)

ADMINISTRATION ACCOUNT

STATEMENT OF RECEIPTS AND PAYMENTS

	For the Three Months Ended March 31, 1983	For the Year Ended December 31, 1982
RECEIPTS		
Grant from Department of Agriculture	$396,290	$1,800,655
Grant from Homestead Rebate Program (Note 10)	32,500	95,852
Interest Income	6,086	40,201
Total receipts	434,876	1,936,708
PAYMENTS		
Salaries and employee benefits	456,135	1,499,734
Office supplies and sundry	39,519	139,122
Professional and technical services	29,845	70,815
Homestead Rebate (Note 10)	23,304	73,096
Travel	21,324	135,762
Telephone	9,497	21,039
Advertising	1,574	12,958
Relocation expense	654	994
Office equipment purchases (Note 2)	375	2,154
Honoraria	-	8,175
Total payments	582,227	1,963,849
Net decrease in cash	147,351	27,141
Cash on hand - beginning of year	147,351	174,492
Cash on hand - end of year	$ -	$ 147,351

(See accompanying notes to the financial statements)

THE SASKATCHEWAN LAND BANK COMMISSION

NOTES TO FINANCIAL STATEMENTS

March 31, 1983

1. Status of the Commission

The Saskatchewan Land Bank Commission was established in 1972 pursuant to The Land Bank Act. On December 17, 1982 the Land Bank Repeal and Temporary Provisions Act was assented to, which terminates The Saskatchewan Land Bank Commission, effective April 1, 1983. On April 1, 1983, the assets of the Commission will be transferred to and the liabilities assumed by Her Majesty in the Right of Saskatchewan.

2. Significant Accounting Policies

A. Administration Account

i) Administration Costs

Under the provisions of The Land Bank Act, Chapter L-2 R.S.S. 1978, all administrative costs incurred by The Saskatchewan Land Bank Commission are to be paid out of sums appropriated by the Legislature for the Commission. These costs are accounted for on a cash basis to closely approximate the accounting treatment followed had they been paid out of the Consolidated Fund and are reflected in Statement 5, Administration Account, Statement of Receipts and Payments.

ii) Office Equipment

Office equipment purchases are expensed in the year of purchase, since the administration payments are accounted for on the cash basis. The total payments to date on office equipment amount to $66,170.

B. Saskatchewan Land Bank Fund

i) Land Sales

The Commission records land sales upon receipt of funds from the purchaser.

ii) Land and Improvement purchases

The Commission records land purchases when the Commission's Offer to Purchase is accepted by the vendor.

iii) At March 31, 1983 the Commission had successful tenders for sale of 63 quarters for $3,207,954. The Commission had acquired these for $1,157,059.

iv) At March 31, 1983 the Commission had agreements to purchase from lessees of 14 quarters for $608,300. The Commission had acquired these for $184,741.

C. Deferred Balances

Expenditures on deferred land improvements are made to lessees to improve the farming condition of Commission land. When the farm land is determined to be usable, the expenditures are transferred from the deferred land improvements account to the land account to increase the value of the leased land. During the period of this statement $936,928 was added to the capital cost of land.

3. Long-term Receivables

Amounts owing the Commission by lessees for the purchase of improvements, chattels and loans are repayable over a term not exceeding twenty-five years.

4. Land

The land account includes the cost of land purchased by the Commission as well as land transferred from the Department of Agriculture, which is recorded at the appraised value at the time of transfer. It also includes the value of improvements made to the land while the land was under the control of the Commission.

5. Advances from the Minister of Finance

Date of Maturity	Interest Rate	Amount
1993	7.45%	$ 31,217,000
1994	7.63%	12,580,000
1995	9.04%	10,122,000
1996	9.07%	808,000
1997	9.05%	18,609,000
1998	9.43%	16,600,000
1999	10.11%	20,000,000
2000	13.12%	30,000,000
2001	14.15%	28,210,000
2002	15.07%	16,290,000
		$184,436,000

6. Contributed Surplus

Land transferred to the Commission from the Department of Agriculture is recorded at the appraised value at the time of transfer with the amount of the appraisal being recorded as contributed surplus. Land transferred from the Commission to the Department of Agriculture is transferred at original purchase price with the amounts being deducted from the contributed surplus account.

7. Deficit

In 1976 a decision was taken by Treasury Board to fund any losses of the Commission by way of a repayable loan from the Consolidated Fund. Previously, Commission losses were funded by way of a grant from the Consolidated Fund.

8. Sale of Land

The following land was sold during the period January 1st to March 31st, 1983.

	Selling Price
Individuals - Farmsites	$ 20,700
Lessees	231,000
By Tender	163,900
	$ 415,600

Sale of land to lessees were made under authority of Section 18 of The Land Bank Act, Effective December 17, 1982, sales of land are made under authority of Section 14(1) of The Land Bank Repeal and Temporary Provisions Act.

9. Long-term Leases

Long-term leases issued by the Commission pursuant to Section 12 of the Act normally expire at the end of the year in which the lessee reaches the age of 65.

10. Grants Re: Homestead Rebate Program

An earnable refund may be paid by the Commission on the purchase price of land, such refund to be payable to the purchaser in five equal instalments during the five years immediately following the year of purchase. Twenty-five lessees received rebates totalling $23,304 during the period January 1 to March 31, 1983 (1982 - eighty-three lessees totalling $73,096).

11. Related Party Transactions

(a) Transactions at market value

Transactions entered into with related parties for debt and equity financing and purchase of supplies and services such as telephone and computer services are recorded at normal market prices.

(b) Costs borne by other agencies

The Commission has not been charged with any occupancy costs nor has any provision for such costs been reflected in these financial statements.

12. Subsequent Event

On April 1, 1983 The Land Bank Commission ceased to exist and in accordance with Section 30(1) of the Heritage Fund (Saskatchewan) Act;

"The book value as at March 31, 1983 of:

(a) the assets and liabilities of the Land Bank Commission, including the land and improvements on land administered by the Land Bank Commission, as that commission existed on the day before the coming into force of The Land Bank Repeal and Temporary Provisions Act;

are deemed to be assets and liabilities of the Agricultural Division (of the Heritage Fund) on April 1, 1983."

And accordingly the statements presented at March 31, 1983 will be the final financial statements of the Land Bank Commission.

THE SASKATCHEWAN LAND BANK COMMISSION

STATISTICAL SUMMARY
OF
LAND SALES

For the Period ending March 31, 1983

R.M.	Legal Description	Cultivated Acres	Grazing Acres	Total Acres	Total Purchase Price
		TO LESSEES			
486	SW 30-50-08-W2	160	0	160	$ 75,600
486	SE 25-50-09-W2	160	0	160	71,800
493	SW 35-50-03-W3	150	11	161	83,600
		470	11	481	$231,000
		SOLD BY TENDER			
213	SE 16-23-01-W2	100	42	142	32,800
213	SW 16-23-01-W2	75	19	94	21,100
230	SE 21-23-24-W3	160	0	160	110,000
		335	61	396	$163,900
		FARMSITES SOLD			
187	NE 08-20-15-W2	20	0	20	4,300
331	NE 18-35-31-W1	15	0	15	7,900
347	SE 20-34-15-W3	19	0	19	6,300
426	NE 36-44-09-W2	10	0	10	2,200
		64	0	64	$ 20,700
TOTAL SALES		869	72	941	$415,600